

1           A     Yes, I did.

2           Q     That was the first budget that you prepared for  
3 Raystay?

4           A     Yes, that's the first budget that I supervised  
5 preparation for.

6           Q     Now I might have been presupposing something here.  
7 But that budget didn't have in it any funds for the building  
8 or operation of the five low-power construction permits, did  
9 it?

10          A     No.

11          Q     And in fact, that budget was never amended to  
12 include funds for the building of the five low-power  
13 construction permits, correct?

14          A     That's correct.

15          Q     So that when we reached a situation with Mr.  
16 Fenstermacher, wasn't the understanding that the initial  
17 expenditure of funds for the construction of the low-power  
18 stations was going to be made by Mr. Fenstermacher and not by  
19 Raystay?

20          A     The proposal Mr. Fenstermacher made was that he had  
21 leasing, lease option arrangements with some vendors and that  
22 he would be able to acquire the equipment on a capitalized  
23 leasing arrangement. And that was his explanation to George  
24 Gardner and myself. And that's how I understood that the  
25 construction would be initiated by his company --

1           Q     So that, so that, you know, Raystay was not  
2 initially going to be purchasing any equipment for the  
3 operation, the construction and the operation of the low-power  
4 stations.

5           A     That's correct.

6           Q     Now with that being the case then, we're now back to  
7 where I was several minutes ago which is that when you had in  
8 mind the discussions of Mr. Gardner and Mr. Fenstermacher, it  
9 was with the understanding that Raystay was not going to be  
10 buying the equipment but that Mr. Fenstermacher was going to  
11 be making arrangements to obtain whatever equipment was needed  
12 to get the low-power stations up and running.

13               MR. SCHAUBLE:  Objection, Your Honor.  I think the  
14 witness has already given his explanation in this area.

15               JUDGE CHACHKIN:  I'll, I'll sustain the objection.  
16 We have in the record the Fenstermacher agreement.  As I  
17 understand it, Fenstermacher was going to lease the equipment,  
18 and in return, Raystay was going to make time available for,  
19 for Fenstermacher to program on those stations, and it was  
20 some kind of remuneration arrangement of some kind.  That was  
21 the deal.  Now obviously Raystay was not going to buy the  
22 equipment, because it was going to be leased by Fenstermacher.

23               MR. SHOOK:  All right.  And what I'm trying to  
24 establish here is that when this second sentence was written  
25 that Raystay was not really relying on equipment or

1 discussions with equipment suppliers made by Mr. Gardner  
2 preceding the Fenstermacher arrangement, because Raystay was  
3 not going to be relying on any such equipment anyhow.

4 MR. SCHAUBLE: Your Honor, that's not a proper  
5 question. And the witness already -- the witness has already  
6 testified that --

7 JUDGE CHACHKIN: I'll sustain the objection. But  
8 it's clear, isn't it, Mr. Sandifer, that the statement makes  
9 the statement that equipment has not been ordered delivered,  
10 and discussions with equipment suppliers -- you had  
11 discussions with equipment suppliers. But isn't it true that  
12 there was nothing technically that prevented Raystay from  
13 obtaining such equipment. I mean equipment was available.

14 MR. SANDIFER: Equipment was available, Your Honor.  
15 And George Gardner had clearly, you know, he, he had  
16 perceptions of what type of equipment he would use.

17 JUDGE CHACHKIN: So when you say when -- in answer  
18 to the Commission's question why you hadn't completed  
19 construction, and you provide the statement that you had  
20 discussions with equipment suppliers, it's clear that there  
21 was no, nothing preventing Raystay from obtaining the  
22 equipment and constructing the station if they had wished to  
23 do so.

24 MR. SANDIFER: Yes, Your Honor --

25 JUDGE CHACHKIN: They could have done it within the

1 6 months.

2 MR. SANDIFER: Yes, sir, they could.

3 BY MR. SHOOK:

4 Q All right, let's move on to the next sentence. This  
5 sentence refers to lease negotiations with representative,  
6 representatives of the owners of the antenna site. Now I  
7 believe you made clear that you personally were not involved  
8 in any such lease negotiations, correct?

9 A Correct.

10 Q Was your understanding of the accuracy of that  
11 sentence based on information provided to you by David  
12 Gardner?

13 A Yes.

14 Q Can you tell us what information, if any, David  
15 Gardner gave you relative to the accuracy of that sentence?

16 A Sometime in the fall of 1991 on or about the time  
17 that he was asking for a vehicle and, and attending to  
18 accompany the Trinity engineer to these sites or whatever  
19 transpired there were just some general representations that  
20 he was having discussions with property owners or their  
21 representatives that had to do with these antenna sites for  
22 the Lancaster and the Lebanon construction permits.

23 Q Were any, were any money figures brought to your  
24 attention in terms of what the potential cost would be for  
25 leasing either the Lancaster or Lebanon sites?

1           A       I don't recall.

2                   JUDGE CHACHKIN:  You didn't inquire as to what  
3 negotiations had taken place with the antenna site  
4 representatives or owners?

5                   MR. SANDIFER:  No, Your Honor, I did not.

6                   JUDGE CHACHKIN:  Now what do you mean?  The  
7 statement is made it is entered into lease negotiation.  What  
8 is your understanding of what constitutes negotiation?  Lease  
9 negotiation.

10                  MR. SANDIFER:  Discussions that would lead to  
11 completion of, of a leasing arrangement, Your Honor.

12                  JUDGE CHACHKIN:  Such as what?

13                  MR. SANDIFER:  Such as discussing terms and  
14 conditions and, and those sort of matters.

15                  JUDGE CHACHKIN:  Go ahead.

16                  MR. SHOOK:  And you understood that to be David  
17 Gardner's responsibility?

18                  MR. SANDIFER:  Yes, sir.

19                  JUDGE CHACHKIN:  So it was your view -- you had  
20 reason to believe, you had facts that there were actually such  
21 negotiations going on at that time?  Did you, did you inquire  
22 from David Gardner or make any other effort to find out  
23 whether in fact such lease negotiations were going on at the  
24 time?  As you described lease negotiations.

25                  MR. SANDIFER:  Your Honor, other than remembering

1 our previous conversations, I didn't do anything additional at  
2 the time that I reviewed these applications.

3 BY MR. SHOOK:

4 Q Did you have any instructions for David Gardner as  
5 to what the parameters of any such lease might be given the  
6 budget that had been drawn up for Raystay?

7 A No, I did not. But David Gardner's been negotiating  
8 in leases for Raystay for probably 20 years. So I mean  
9 he's -- he, he knows this area much better than I do as what's  
10 market rate on antenna sites and those kind of things.

11 Q Well, is, is David Gardner operating under some  
12 handicap relative to negotiating any lease if the budget  
13 doesn't contain, if the Raystay budget doesn't contain any  
14 funds for the construction and operation of the permits in  
15 question?

16 A He may be operating under some limitations, but he  
17 never expressed them to me.

18 Q Well, let's, let's see if, let's see if maybe it  
19 shouldn't have been the other way around. I mean you're the  
20 chief financial officer. And you know that the budget doesn't  
21 have, the Raystay budget doesn't have any funds allocated for  
22 the construction and operation of these stations. Did you say  
23 anything to David that oh, David, by the way, you know, the  
24 budget doesn't have any money for the construction and  
25 operation of these stations. Therefore, if you're going to

1 enter into a lease, these are the things you have to keep in  
2 mind, A, B and C, whatever they might have been. Did you say  
3 anything to him like that?

4 A No, sir.

5 Q Did you ever make David Gardner aware that the  
6 Raystay budget contained no funds for the construction and  
7 operation of the low-power stations?

8 A I think I've referred to general discussions that we  
9 had that David Gardner was probably a party to. But I think  
10 he was aware that we had no capital funds provided specifi-  
11 cally for the development of the construction permits. But  
12 those could be available upon the development of a viable  
13 business plan.

14 Q And the development of the viable business plan in  
15 turn was the responsibility of someone other than yourself?

16 A Yes, sir.

17 Q And the person who was responsible in November of --  
18 or December of 1991 for the development of that viable  
19 business plan was whom?

20 A I would assume that -- I, I feel the person most  
21 appropriate at, in our organization would be Hal Etsell.

22 Q That was your understanding.

23 A That was my understanding.

24 Q Well, with that understanding in mind, did you ever  
25 consult with Mr. Etsell in the course of reviewing the Forms

1 307 as to whether the business plan or there was some business  
2 plan actually being developed and it, it had some prospect of  
3 success. And if so, how much it was going to cost.

4 A I had such conversation -- I mean we've as I think  
5 I've already mentioned, we had a number of conversations. I  
6 did not discuss my review of FCC 307 with Mr. Etsell at the  
7 time that I reviewed it in December of 1991.

8 Q Moving on to the next paragraph, the first two  
9 sentences concerning the programming, when these statements  
10 were reviewed by yourself, what in particular did you have in  
11 mind that would lead you to believe that these statements were  
12 accurate?

13 A I had in mind representations of Mr. Etsell,  
14 representations of David Gardner of some work that he had done  
15 and the knowledge of the work that I had done as pertained to  
16 TV40 that may have been applicable to the LPTV construction  
17 permits and their development.

18 Q Moving on to the next sentence where it talks about  
19 continuing negotiations with local cable television franchises  
20 to ascertain what type of programming would enable this  
21 station to be carried on local cable systems, what in  
22 particular did you have in mind when you were reviewing that  
23 sentence that you believed made that sentence accurate?

24 A Representations of Hal Etsell and David Gardner that  
25 they had had conversations with the primary cable providers in



1 the market areas as well as my experience with conversations  
2 with Mr. Shaffner and Hank Locker of Sammons Communications,  
3 and I guess that's the limit. I mean that general concept of  
4 representations from Etsell, David Gardner and then my  
5 experience.

6 Q Now focusing on your experience, isn't it true that  
7 your experience basically pertained to TV40 and really had  
8 nothing to do with the Lebanon and Lancaster locations?

9 A Yes.

10 Q With respect to David Gardner, what was your  
11 understanding as to the most recent negotiations that he had  
12 had with any local cable television franchises in ascertaining  
13 what type of programming would be acceptable?

14 A He had made representations to me at the Atlantic  
15 City cable show in October of 1991 that he had had meetings  
16 with primary cable operators in the market areas including  
17 Susquehanna Cable in, in York and Sammons Communications in  
18 Harrisburg as well as possibly some others. But those are the  
19 two that I remember specifically that had to do with -- excuse  
20 me. He also mentioned that he had, he had talked to somebody  
21 with Warner Cable, and I'm not sure where, which operations he  
22 was referring to, that had to do with his discussions and I  
23 guess the most recent time that I, he had made those  
24 representations was in October of 1991.

25 Q When did he convey that information to you?

1           A     Sometime after the cable show, but I'd say October,  
2 later in October of 1991.

3           Q     Did he make any subsequent representations to you  
4 that such negotiations or discussions had in fact continued,  
5 or had they ceased in October of 1991?

6           MR. SCHAUBLE: Question is -- are you talking about  
7 the witness's state of mind in December 1991 or ever?

8           MR. SHOOK: Well, I'm focusing on his review of this  
9 document which took place apparently in December of 1991.

10          MR. SANDIFER: I don't recall any other represen-  
11 tations he made to me prior to review of this document in  
12 December of 1991.

13          BY MR. SHOOK:

14          Q     Now with respect to Mr. Etsell, what discussions or  
15 negotiations did you have in mind when you were reviewing this  
16 document relative to negotiations with local cable television  
17 franchises in ascertaining acceptable programming?

18          A     It's more difficult to determine the time period  
19 with Mr. Etsell. Because he was quite active in the board of  
20 directors of the Pennsylvania Cable TV Association. And he  
21 would have much more contact with these large cable operators.  
22 And he made representations on many occasions from February of  
23 1991 through probably late 1992 that had to do with his  
24 contacts.

25                I don't remember -- I do remember that he said that

1 he had had some conversations at the Atlantic City cable show  
2 in October of 1991. And I know he's made many representa-  
3 tions. I don't remember other than the contacts which he made  
4 in the spring of 1991 or contacts which he had made in October  
5 of 1991 at the time I reviewed this document. I don't know if  
6 there were other comments. But certainly he's made many  
7 comments over a long period of time.

8 Q The October 1991 reference is, is that -- are you,  
9 are you saying that Mr. Etsell and Mr. David Gardner attended  
10 the same convention or show or whatever it was and that in the  
11 course of that convention had the conversations that are being  
12 referred to here as continuing negotiations?

13 A I'm saying that's at least one activity, and George  
14 Gardner, Hal Etsell, David Gardner, myself and probably 10  
15 other people from our company attended various portions of  
16 that convention in Atlantic City in the fall of 1991.

17 JUDGE CHACHKIN: Does anyone have a copy of the  
18 instructions for FCC 307?

19 MR. EMMONS: Right here, Your Honor.

20 (Pause. Asides.)

21 MR. SHOOK: Your Honor, is it -- may I continue?

22 JUDGE CHACHKIN: Yes. I, I just noticed what it  
23 says on instructions. It says applicants must explain fully  
24 status of construction, reasons for delays and commencement or  
25 completion of construction and detailed steps being taken to

1 remedy delays. That's what the instructions provide.

2 BY MR. SHOOK:

3 Q Mr. Sandifer, did there come a time when you became  
4 aware that the construction permits for Lancaster and Lebanon  
5 had been extended so that there was an additional period in  
6 which to construct the station?

7 A Yes.

8 Q Now can you tell us what steps, if any, were taken  
9 by Raystay during the period January 1992 to July 1992 to  
10 construct the low-power stations in Lancaster and Lebanon?

11 (Asides.)

12 A Well, I can tell you that between January of 1992  
13 and July of 1992 I closed a major restructuring of the GH  
14 properties, and I worked intently on a refinancing of the  
15 Raystay company with Greyhound and UNUM. And so I personally  
16 did not focus on the efforts to develop the LPTV construction  
17 permits. However, I guess I'm aware of some discussions that  
18 were had generally.

19 But I, I know of no -- I certainly did not undertake  
20 any activity, and I was not closely monitoring any activity of  
21 others during this period regarding what was done in the  
22 extension period of the LPTV construction permits. I was  
23 aware that we, that I completed the transfer of the Red Lion  
24 construction permit to Mr. Grolman.

25 Q Would I be correct then that you were given no

1 directive by George Gardner to take any steps to develop, to  
2 build or operate the low-power stations in Lebanon and  
3 Lancaster?

4 A I recall no such direction from George Gardner. My  
5 efforts were not directed toward the completion of the  
6 construction permits during this period.

7 Q Are you aware of George Gardner directing anyone  
8 else in Raystay to build or otherwise to build and then  
9 operate the low-power stations in Lebanon and Lancaster?

10 A I don't recall.

11 Q Now by don't recall it means that there may have  
12 been such a directive, but you don't know to whom it was  
13 given, or you're not aware of any such directive?

14 A I don't recall being aware of any such directive  
15 during this period.

16 Q Now do you have in front of you the instructions for  
17 the Form 307?

18 A No, sir.

19 Q I guess a copy will be given to you.

20 MR. EMMONS: Let the record reflect that I've handed  
21 the, the witness a copy of those instructions.

22 BY MR. SHOOK:

23 Q I believe right now you're looking at the face page  
24 of the form. If you turn the page, you'll see instructions,  
25 the word instructions at the top, and then a series of

1 paragraphs A through H. And before I ask you any questions  
2 about the specific instructions themselves, do you have any  
3 recollection of looking at the instructions prior to or  
4 contemporaneously with your review of the Forms 307 for  
5 Lancaster and Lebanon in December of 1991?

6 A No.

7 Q Now did there come a time when you became aware that  
8 the Commission had granted a second extension for the  
9 construction of the low-power stations in Lebanon and  
10 Lancaster?

11 A Yes.

12 Q And that awareness occurred relatively contempor-  
13 aneously with the grant of the extension applications in  
14 September of 1992?

15 A Yeah, I think there's an exhibit. But there was a  
16 memo or a letter from our attorney that accompanied something.  
17 And I, I remember seeing that about the time that it was  
18 received in our office.

19 Q Now from that time period, late September, September  
20 1992 to March of 1993 when the permits were handed in for  
21 cancellation, are you aware of any steps being taken to build  
22 the low-power stations?

23 MR. SCHAUBLE: Clarification. By build does counsel  
24 mean physical construction or to develop or --

25 MR. SHOOK: Basically it's however the witness

1 chooses to answer that question. I mean I, I put the -- I  
2 used the word build, and I'm using it specifically. I can ask  
3 other questions if need be to amplify what I'm, what I'm  
4 driving at.

5 JUDGE CHACHKIN: You mean by build you mean  
6 construct the station?

7 MR. SHOOK: Yes, Your Honor.

8 JUDGE CHACHKIN: Want to know if any other steps  
9 were taken.

10 MR. SHOOK: Any steps.

11 JUDGE CHACHKIN: You can answer the question.

12 MR. SANDIFER: Well, I recall budgetary discussions  
13 in the fall of 1992. Probably -- I assume that that would be  
14 and I would assume that those were after the receipt of the  
15 extension permits that had to do with the need to develop  
16 them. I remember Mr. Etsell being aware of the need to, you  
17 know, develop them. And I remember George Gardner saying in a  
18 meeting that until he had -- he was willing to look at a  
19 number of options. But until he had a viable business plan,  
20 he wasn't going to authorize the funds to complete the  
21 construction.

22 So there were discussions. There was activity.  
23 There was evaluation of, of business plan alternatives. And I  
24 guess that's the limit of my recollection of what happened  
25 during this period.

1           Q     So this would now focus on the development of the  
2 budget for the fiscal year beginning in November of 1992?  
3 That's what you were referring to?

4           A     Yes, sir.

5           Q     And those discussions as a general matter would have  
6 taken place in September and October of 1992?

7           A     Yes, sir.

8           Q     And the decision was made by Raystay not to allocate  
9 any funds for the construction of the low-power stations,  
10 correct?

11          A     The decision was made quite clear in many  
12 conversations with Mr. George Gardner that until receipt of a  
13 viable business plan was obtained, he was not going to  
14 authorize any significant expenditures being made in this  
15 process.

16                   Now whether those occurred right then or -- I mean  
17 I -- Mr. George Gardner has said that to me personally and in  
18 meetings with Mr. Etsell more than once. Whether they were in  
19 this specific period or not I don't recall. However, I know  
20 that they were, that we did have a budget, a discussion, Mr.  
21 Etsell and myself, regarding the construction permits in the  
22 fall of 1992.

23          Q     Well, in respect to the preparation of the budget  
24 for the fiscal year beginning November 1, 1992, are you aware  
25 of anyone being charged with the development of a business



1 plan for the development of the four low-power stations?

2 A Well, I remember discussions that Mr. Etsell, David  
3 Gardner and George Gardner and I had, some collectively and  
4 individually, that always had to do with if someone wanted to  
5 bring a viable business plan to George Gardner's attention he  
6 would review it. I do not recall whether he recharged anybody  
7 to with this specific -- he did not charge me with this  
8 specific responsibility during this period.

9 Q All right. So first, he didn't charge you. Second,  
10 you're not aware that he charged anyone else.

11 A I'm not aware that he charged anyone else  
12 specifically. But he left -- he has left the door open on  
13 many occasions to say you bring something and, you know, we'll  
14 discuss it.

15 Q And that information of Mr. Gardner that he was  
16 willing to entertain a viable business plan would have been  
17 directed toward whom?

18 A To Hal Etsell and myself and to David Gardner.

19 Q No one else.

20 A Not -- there is not anyone else that I'm aware of in  
21 the company that had, you know, anymore working knowledge of  
22 this, of these matters than the four of us.

23 Q In order to develop a viable business plan in the  
24 period beginning in the autumn of, of 1992, was any  
25 information transmitted by Mr. Gardner to either Mr. Etsell or

1 David Gardner about the impact of the refinancing arrangement  
2 that Raystay now had with Greyhound financial?

3 MR. SCHAUBLE: Objection, competency, Your Honor.  
4 He's asking what George Gardner transmitted to David Gardner  
5 or Hal Etsell.

6 MR. SHOOK: There's nothing that says that he isn't  
7 aware of that.

8 JUDGE CHACHKIN: Well, if he has personal knowledge  
9 of what was transmitted, he can testify. If he doesn't --  
10 I'll, I'll overrule the objection. The witness can testify to  
11 whether he had personal knowledge of any such transactions.

12 MR. SANDIFER: I don't have any personal knowledge  
13 of George Gardner transmitting that to either Hal Etsell or  
14 David Gardner. But I do remember myself transmitting that  
15 information to corporate executives within the company that  
16 included Mr. Etsell and David Gardner. So I don't know  
17 whether George Gardner did. But I believe they were aware of  
18 it through conversations that I had with them.

19 BY MR. SHOOK:

20 Q And what, what exactly was it that you made company  
21 executives including David Gardner and Hal Etsell aware of  
22 relative to the arrangement that Raystay now had with  
23 Greyhound?

24 A I made them aware that Greyhound loan proceeds were  
25 not going to be available for this purpose without either

1 asking permission or that the, the funding of the construction  
2 would need to be done by an affiliate, affiliated company or  
3 some balance sheet transaction, a syndication or some other  
4 manner other than Raystay using loan proceeds to fund the  
5 development of the construction permits.

6 Q And you transmitted this information to David  
7 Gardner and Hal Etsell approximately when?

8 A Sometime between August and September of 1992.

9 Q In other words, relatively shortly after the  
10 agreement was reached between Raystay and Greyhound.

11 A Yes, sir.

12 Q Did either David Gardner or Hal Etsell ever get back  
13 to you with a proposal of any kind indicating or, or showing  
14 how the low-power stations were going to be built with the  
15 Raystay Greyhound restrictions, you know, in mind?

16 A I remember having conversations with each of them I  
17 guess individually. And I believe that David Gardner  
18 transmitted some, a proposal to me by a handwritten memorandum  
19 and that other discussions may have been had with Mr. Etsell  
20 during this period.

21 MR. SHOOK: John, could you place before the witness  
22 Glendale Exhibit 221?

23 MR. EMMONS: Let the record reflect that I'm placing  
24 before the witness -- the witness has a copy of Glendale  
25 Exhibit 221.

1 BY MR. SHOOK:

2 Q Now looking at the second and third pages of  
3 Glendale Exhibit 221, is, is this the proposal that you have  
4 just made reference to?

5 A Yes, it's one of those, it's one of the, the  
6 proposals that I recall during this period.

7 Q Were the other proposals that you recall oral, or  
8 were any of them written?

9 A Mr. Etsell and I had discussions during the  
10 preparation of the budget. I don't remember any new written  
11 communications from him, but we discussed the same general  
12 concepts that he had been proposing previously.

13 Q Did you ever respond to David Gardner's proposal as  
14 reflected in Glendale Exhibit 221?

15 A I remember taking action on the proposal.

16 Q What action was that?

17 A I discussed the concept with George Gardner.

18 Q What did you tell him?

19 A I provided him with this document, or he may have  
20 already had a copy. But we discussed it, and I was asking him  
21 about the technical feasibility of doing this type of  
22 arrangement that David had discussed. And George Gardner told  
23 me, and I don't know whether it was present -- in the presence  
24 of David Gardner or not. But he thought the, the technology  
25 was a little unproven for our utilization during the period of

1 time that the construction permits were existent.

2 Q Now the proposal that we're making reference to in  
3 Glendale Exhibit 221, it doesn't address, does it, the matter  
4 of where money was supposed to come from?

5 A It does not address where money is supposed to come  
6 from for the capital construction of the project.

7 Q Was there, was there ever any subsequent proposal or  
8 addition to the proposal that we have here in Glendale Exhibit  
9 221 which addressed the question of finances?

10 A Pertinent to the implementation of this plan?

11 Q Yes, sir.

12 A Not that I'm aware of.

13 Q How about pertinent to the implementation of any  
14 plan? Again focusing during the second extension period.

15 A Well, I think I testified yesterday that we had  
16 conversation as a management group with how this could be  
17 funded. And I'm sure some of those conversations may have  
18 happened during this period, but I don't remember any new  
19 specific written proposals during this period in addition to  
20 what I've already testified or what's in exhibits.

21 Q So it would be fair to state that during the second  
22 extension period you never saw anything that looked like a  
23 viable business plan.

24 A Well, I think there were a number of proposals that  
25 would, could have been developed into a viable business plan.

1 But, but none of them were complete and could be implemented  
2 during this period and, and there was -- you know, George  
3 Gardner's approach through a long period of time was, you  
4 know, bring me a plan that works and I'll, you know, we'll,  
5 we'll find a way to fund it. And I personally didn't spend a  
6 lot of time in the development of these properties. So I  
7 don't know what other people may have done. But I guess I've  
8 represented what I'm aware of during this period.

9 Q And that's all we're asking for. Did you have any  
10 understanding as to the impact of the sale of the Red Lion  
11 facility on the potential development of the Lancaster and  
12 Lebanon facilities?

13 A And by impact you mean --

14 Q Positive or negative. Was, was the sale of Red Lion  
15 going to help in some way the development of Lebanon and  
16 Lancaster, or was it unrelated or was it going to hurt the  
17 development of Lancaster and Lebanon?

18 A I remember conversations that David Gardner and I  
19 had individually and that I either transmitted or David  
20 transmitted or my attorneys transmitted to Grolman and his  
21 attorneys that there was some concern that Grolman was  
22 undertaking a major modification to relocate the Red Lion CP  
23 to York and to change the frequency or whatever you call it.  
24 And there was quite a concern by David Gardner that that 23  
25 whatever he was using was, might interfere with the 23, the

1 license that we'd been, had, and I think it was in Lancaster.

2 And there was some discussion between our engineers,  
3 his engineers and FCC counsel that that wasn't a problem. And  
4 David was able to satisfy himself about that.

5 And then there were discussions between David  
6 Gardner and Grolman and myself that if we had wanted to have a  
7 regional network that since TV40 could be received in York,  
8 then if we wanted to be on a cable system in York that, that  
9 we didn't necessarily need to have the Red Lion construction  
10 permit to get cable coverage in, in York. And as I recall,  
11 those conversations happened in the evaluation of the  
12 proposals from Mr. Grolman and a number of, of discussions.

13 And so I guess that's what I consider to be my  
14 understanding of the impact upon the sale of that construction  
15 permit to Mr. Grolman and, and his company as it impacted the  
16 Raystay company.

17 JUDGE CHACHKIN: Are you going on to something else  
18 or --

19 MR. SHOOK: Your Honor, I'm just about finished.

20 All right. So the understanding is that the sale of  
21 Red Lion might have initially had some impact, but ultimately  
22 it was determined that it was not going to have any effect one  
23 way or the other on the development of Lancaster and Lebanon.

24 MR. SANDIFER: Yes, that's my understanding of, of  
25 the discussions that we had with, with Mr. Grolman and his

1 engineers and our counsel and our, our engineers and Mr. David  
2 Gardner and myself.

3 MR. SHOOK: Your Honor, essentially I have one more  
4 area to cover. And so why don't we see if we --

5 JUDGE CHACHKIN: All right. Take a 10-minute  
6 recess.

7 (Whereupon, a brief recess was taken.)

8 JUDGE CHACHKIN: Let's go back on the record. No  
9 further questions?

10 MR. SHOOK: I have a few more.

11 BY MR. SHOOK:

12 Q Mr. Sandifer, with respect to the Forms 307 that  
13 were filed for Lancaster and Lebanon in December of 1991, were  
14 you ever asked for input as to whether or not Raystay should  
15 seek the extensions for the construction of those stations?

16 A I remember having discussions with FCC counsel. I  
17 don't remember any other -- I of course had discussions with  
18 David Gardner. I don't remember any other discussions.

19 Q Well, what, what I'm getting at is in respect to the  
20 December 1991 Forms 307 which you reviewed, were you aware  
21 beforehand that you were going to be reviewing these  
22 documents? Did you know they were coming to you?

23 A Yes, I knew we were going to request extensions to  
24 the LPTV construction plans.

25 Q And were you involved in any way in the decision to



1 actually seek the extensions?

2 A Well, as I stated, I remember having conversations  
3 with Mr. Schauble. I remember having conversations with David  
4 Gardner about the, the time of the extensions. But I don't  
5 remember any other discussions that had to do with my  
6 encouragement to extend them.

7 Q Did you have any conversations with George Gardner  
8 prior to your review of the Forms 307 that would lead you to  
9 believe or lead you to understand that he knew, that George  
10 Gardner knew that requests for extensions were going to be  
11 made?

12 A Yes, I did.

13 Q And from those conversations did you have an  
14 understanding that George Gardner did in fact wish to extend  
15 the life of the construction permits for Lancaster and  
16 Lebanon?

17 A Yes.

18 Q And in the course of those conversations or  
19 discussions, did George Gardner ever express to you or did you  
20 come to understand why George Gardner wished to have the  
21 construction permits for Lebanon and Lancaster extended?

22 (Pause.)

23 A My understanding, and I think I've already testified  
24 that George Gardner left the door open on many occasions for  
25 development of a viable business plan. George Gardner is